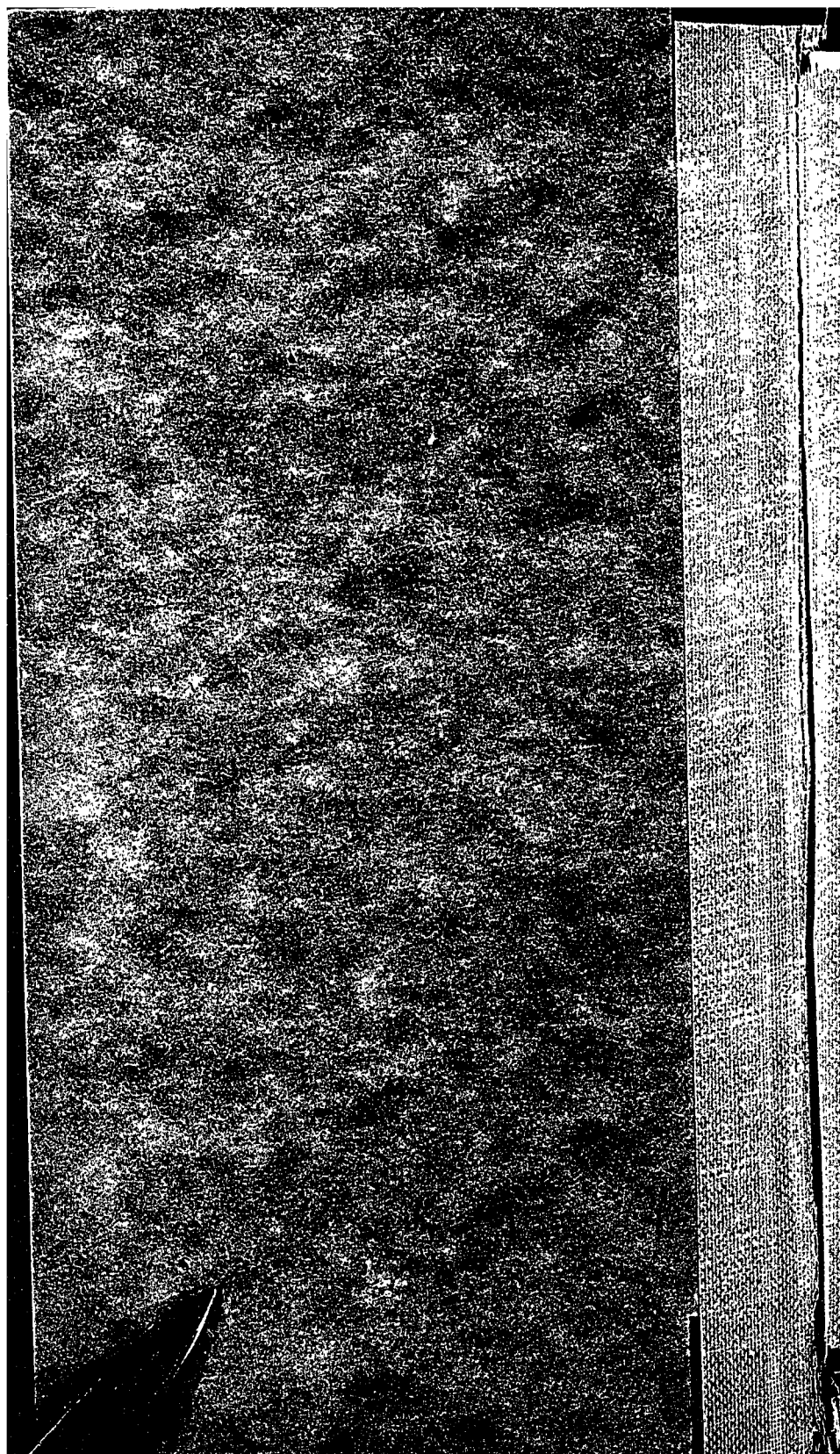


County System
for
Saskatchewan
by
T. A. Patrick

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The County System For Saskatchewan



An
Urgently Needed
Reform



Arguments and Data
In Support Of It

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The County System for Saskatchewan

*An Urgently Needed
Reform*

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Arguments and Data
in support of it by

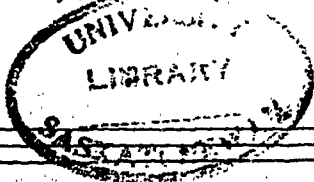
T. A. Patrick, M.D.

*A member of the N. W. T.
Legislature, 1898-1904*

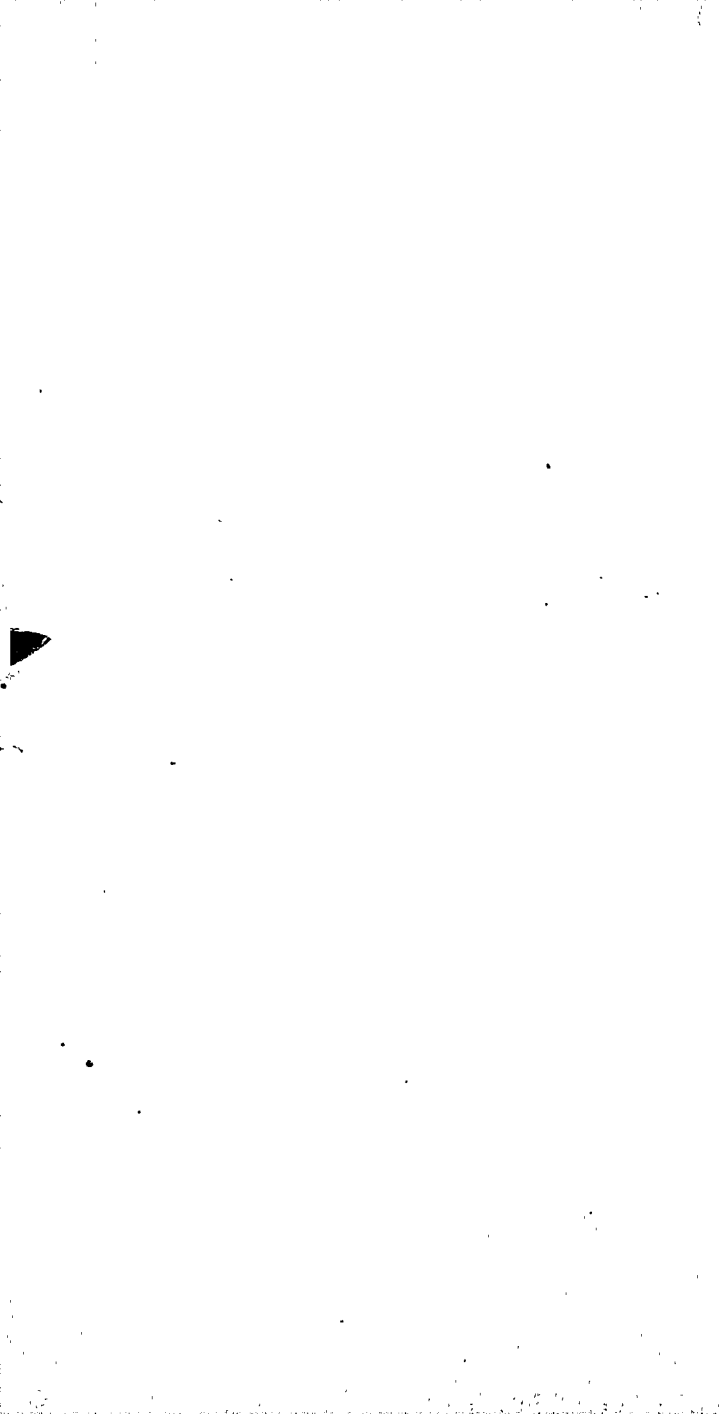
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*Treasurer of the Town
of Yorkton*



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The County System for Saskatchewan

When the province of Saskatchewan was established, its rural organization consisted of "local improvement districts" of very limited area and function. These served until rapid development and the consequent need for revenue compelled the establishment of rural municipalities.

These municipalities are too small, and the province too large, for certain functions of local government, provision for which has been made by the establishment of a confusing variety of districts of a makeshift character. Like the old "local improvement districts" these temporary districts must pass away and give place to counties, that is, to groups of contiguous municipalities established for the purpose of discharging not one, but many, functions of local government.

The obvious time to have made this change was when the province again found its revenue inadequate. Inadequate revenues compel increased taxation; and as almost every other source of revenue had been resorted to, the alternative was taxation of land. But taxation of land requires its equitable valuation, a matter difficult enough in a municipality whose court of revision has the necessary local knowledge; but impossible in a province.

The inhabited area of Saskatchewan is large; it includes wide variations in climate and soil, in geography and topography, in population and development; and among its municipalities are wide variations in function and outlook. These variations are expressed in the assessment rolls. One needs not travel far to find wide discrepancies between assessment valuations even in contiguous municipalities. The adoption of these varying assessment valuations as the final basis on which to levy a provincial land tax, was unfair and inequitable; their equalization by the province was practically impossible. What court of revision has travelled far enough and sojourned long enough to equalize

valuations as between all the municipalities of Saskatchewan?

The impossibility of levying an equitable provincial land tax should have itself suggested decentralization and devolution. The confusing, overlapping, makeshift districts should, like the old local improvement districts, have been abolished; **groups of contiguous municipalities set apart as counties in their stead, and given the option of county organization, with consequent exemption from provincial land taxation.**

Any county whose stage of development or whose sense of political unfitness would delay its organization should in the meantime be administered and taxed as a unit, by the province; but, even in such unorganized counties, the equalization of land taxes, as between one municipality and another should devolve on the presiding officers of the municipalities, sitting as a court of equalization; subject to an appeal to the county judge.

No expensive machinery would be necessary. The mayors of the towns and the reeves of the rural municipalities in each county would comprise the county councils. Representation of villages should be provided for by making each village, for the purpose of electing the reeve, a part of the rural municipality in which it is situated.

County councils elected annually, are more responsive to local sentiment, more keenly appreciative of local conditions, than provincial legislatures elected for five-year terms. Their borrowing powers, unlike those of the provincial legislature, are conditioned on approval of the taxpayers expressed in a vote on debenture by-laws.

Had the adoption of the county system with its resulting decentralization, been decided on, no additions to our imposing parliament buildings need have been contemplated. The stream of land taxes flowing from the municipalities to the provincial treasury, and trickling back, would have been more equitably levied and more economically expended than is possible under our system of centralization.

However, neither the government nor the op-

position seems to have contemplated the expediency of further decentralization; and as the purpose of this pamphlet is not to cavil at the errors and omissions of the past, but to suggest a policy for the future, we deem it our duty to submit it, during the opportune time of a provincial election, in the hope of evoking a general discussion of the proposed reform. To this end we invite your attention to the pages which follow.

The confusing variety of makeshift districts are:

1. Highway Districts
2. Secondary School Districts
3. School Inspection Districts
4. Hospital Districts
5. Judicial Districts
6. Land Registration Districts
7. Chattel Mortgage Districts
8. Electoral Districts :

and no adequate machinery is provided for the equalization of taxation on lands as between one municipality and another.

Let us consider the application of the county system beginning with

The County as a Main Highway District

Main highways are necessary both to town and country, and such part of their cost as is not borne by the province, should be a charge on the county—not on rural municipalities only. Portions of main highways which run through towns, should receive the same care from the county as rural portions, and no more. Any widening, paving, or other improvement made necessary by local urban traffic, should be at the expense of the urban municipality, even as roads other than main highways should be built and repaired at the expense of the rural municipality. A county council is better fitted than a rural municipal council to co-operate with the highways department in routing, building, and maintaining main highways.

Just a word in passing as to distribution of the automobile tax. The ordinary range of an automobile is not limited by the boundaries of a municipality. It would be, by the boundaries of a county.

Where owners reside near the county boundary, reciprocal use would hold the balance even in the matter of auto road depreciation. Obviously then the county would have a well founded claim to the larger moiety of automobile license fees.

The County a Secondary School District

At present secondary school districts are established on the assumption that urban municipalities should bear almost the whole cost of secondary education; and that the rural municipalities should bear practically none. The secondary schools of this province are not attended exclusively by children who are residents of the urban municipalities. Provincial grants including non-resident fees are a small percentage of their cost.

The education department's report as to receipts and expenditures of high schools and collegiate institutes **does not exhibit the whole cost of operation** in that it omits the annual cost of the amount borrowed and invested to provide buildings and equipment. Supplying this omission the figures for the Yorkton collegiate for 1920, exclusive of the manual training and household science departments which were in operation for the last half of the year only. are :

EXPENDITURES

(1)	Annual cost of investment in building and equipment \$83579.75 at equated interest, 5 5-16 p.c.---	\$ 4440.17
(2)	Allowance for depreciation 2½ per cent. -----	2089.49
(3)	Teachers' salaries, caretaking, fuel, repairs, etc. -----	21518.82
		<hr/> 28048.48

RECEIPTS

1920	Grants exclusive of manual training and household science -----	3943.75
	Estimated inspection and equipment grant -----	455.00
	Rent from public school board ----	960.00
		<hr/> 5358.75

The difference, \$22689.73, is the cost of the collegiate to the town in 1920. The average attendance was 135, making the cost per pupil \$168.07. Of these 40 were non-residents whose education for the year cost the town \$6722.80.

Assuming that the amendments to the present act had been in force in 1920, the grant would have amounted to \$5655.00, and the cost to the town would have been reduced to \$21432.73 making the cost per capita \$158.76, and the cost of the 40 non-residents to the town, \$6350.40. The 15 cents per capita per diem allowed by the new act, amounts to \$30.00 per annum. **To compel a town to supply secondary education to non-resident students at \$30.00 per capita which costs \$158.76, can scarcely be called equitable.** If similar calculations show similar results in other towns, it is not to be wondered at that some secondary schools, heretofore established, are not now in operation; nor that towns where they are needed, are slow to provide them and be compelled to supply secondary education to outsiders at a very small percentage of its cost.

Students of secondary schools, who become teachers, do not restrict their services to urban districts. If secondary education be a necessity, its cost should be a general charge. The obligation of providing both the school room and the teacher, for these schools should rest on the county council; and their cost should, except in so far as provincial grants may assist, be a charge on the county. This should apply wherever secondary school work is being done, whether in collegiates, high schools or elementary schools.

But it may well be contended that making the county a secondary school district and levying a county rate for its maintenance, while equalizing the cost, would not **equalize the opportunity** for higher education; and **there should be an equalization of that opportunity.**

Secondary school students are of two classes,

those who can live at home and those who must live elsewhere. The difference between the cost of living at home, and the cost of living elsewhere, is a fair measure of what is necessary to equalize the opportunity which these schools afford. The obvious remedy is to compensate the student who must live away from home, to the extent of his additional necessary expenditure. This may be done: either—

(a) by a money grant, or

(b) by providing students' residences for rural students in connection with each larger secondary school, wherein accommodation equal to that of the average student's home would be provided at practically the same cost to him as if he lived at home. The Peter Moyla Institute of Saskatoon is providing somewhat similar accommodation for Ukrainian students; and some of the churches are planning to do so, presumably because the need is appreciated.

What with the cost of building, and of keeping, the urban dwelling of the future promises to be small and compact, and so planned and equipped as to make every room a living room, and the number of them just enough for the requirement of the occupants. This means increasing difficulty in finding private boarding houses.

Parents naturally hesitate to commit their 'teen age sons and daughters to the care of the mistress of a private boarding house, who cannot accept responsibility without authority.

To provide for rural students at a cost no higher than that of living at home, a students' residence, under the supervision of a master or mistress having authority over them, when out of school, would be doing nothing more for the rural population of the county than they have a reasonable right to expect; and the cost to the whole county would be much lighter than that now borne by towns and cities in providing our present secondary school accommodation, as following data will show.

Just here, to prevent misunderstanding, it is well to point out that to suggest a remedy is not to suggest its compulsory application. Counties should be empowered to provide accommodation and supervision for rural students attending secondary schools; the expediency of doing so will be for the people of the county to decide; for **district control and management of district affairs is the essence of the county system.**

Another advantage in equalizing opportunities for secondary education, is the solution it would promise of the problem of finding qualified teachers for rural schools. Give the boys and girls from the country districts an even chance to get a secondary education and the supply of qualified teachers for rural schools will come much nearer to meeting the demand.

The County a School Inspection District

Under the county system the professional qualifications of inspectors would be prescribed by the province but they would be appointed and paid by the county. To secure that independence which is so desirable in a school inspector, he should be dismissible only on a two-thirds vote of the county council. Inspectors should report in duplicate, a copy of the report to be filed with the department of Education. Part of their duties should be to assist the county clerk in allocating county grants to public schools. The fact that the province makes grants of money to public schools **will give a provincial officer all the status he requires to make any special inspection or investigation.** County councils are better fitted than are officials of the education department to make adequate provision for the travelling expenses of school inspectors. The present flat rate allowed by the department is itself sufficient evidence of the difficulty found in supervising this item of expenditure. The essential inequity of the flat rate is obvious. The mere fact that any county may have more or less schools than one inspector can inspect

need occasion no misgiving as to the practicability of county inspection. In neither inspectors nor county councils will there be any conspicuous lack of ability to arrange for part time service.

The Need for Equalization of Taxation for Elementary Schools

Notwithstanding the recent amendments to **The School Grants Act** there will still be great need for the equalization of elementary school taxes. By way of illustration we compare the tax rate in the Freeman School District No. 634, with the adjoining Wallace and Clyde rural school districts. The Freeman district is partly urban and partly rural and includes the village of Rhein. Five teachers were employed in 1920. Its government grant was \$665.25, and its tax rate 16 mills. In the adjoining Clyde school district the grant was \$271.84, and the rate 8 mills; whilst in the Wallace school district the grant was \$344.74, and the rate 6½ mills.

Assuming that the provisions of the Act of 1920 had been applicable in that year the rates for school taxes in these contiguous districts would have been 12.895 mills in the Freeman school district, 7.121 mills in the Clyde school district; and in the Wallace district 6.603 mills. To make specific application of this inequity: The east half of section 21-27-2, W. 2, valued at \$8,280.00, is in the Freeman school district, the west half of the same section, valued at \$7,920.00 is in the Wallace school district. Had both of these been assessed at the higher valuation, and had the provisions of the new Act been applicable last year, the half section in the Freeman school district would have been taxed in the sum of \$106.77, and the other \$58.96; and on the basis on which they were actually assessed, one half section would have paid \$106.77; and the other \$56.40.

Similar computations applied to the south halves of sections 10, 11 and 12, township 27, range 1. W. 2nd, in the Freeman school district, and the north halves of sections 3, 2 and 1 in the same

township, and separated only by a road allowance, will show similar results.

If any further proof be required of the continuing need for equalization of elementary school taxation, comparison of the tax rates in adjoining rural and urban-rural districts in any part of the province will supply it.

The Premier in moving the second reading of the new School Grants Act referred to the old legislation as "scarcely equitable" and "scarcely scientific." May not the same adjectives be unqualifiedly applied to the new Act? There is only one available remedy for these inequities and that is,

A County Rate for Elementary Schools

in substitution for much the larger fraction of the rate now levied by the trustees for operating expenses. Such a county rate, distributed among the elementary schools on the basis of their average attendance, would put a premium on school attendance; would equalize elementary school taxation; would facilitate the alteration of boundaries of school districts, and would remove the well-based rankling sense of injustice aroused by the present system. Like all other county rates it would be levied and collected by the municipalities.

The County & Hospital District

Under our present system it is assumed that the necessary large general hospitals should be built and maintained, except insofar as the provincial grants may assist, by the larger urban municipalities. But are all the patients in the larger hospitals exclusively from the cities which maintain them? Even the establishment of a small hospital is made difficult by the failure to outline the area which may undertake to establish it.

Under the county system the county council would determine where and when hospitals should be provided, subject to the vote of the ratepayers on the debenture bylaw; and the procedure would be simplified by electing reeves and mayors in favor of hospital establishment. Over and above provincial

grants the cost of hospitals would be a charge on the county.

The County as a Judicial District

Sittings of the higher trial courts would be held at the county seats: of county courts, at the larger centres in the county. The salaries of court officers should be paid by the province, except that of the judge, which is paid by the Dominion. The expenses of criminal trials would be borne by the county, though judges should be empowered to order that the expenses of a criminal trial be levied on the municipality concerned, if such municipality has become notorious for crimes of like kind. There are localities in this province where lawlessness appears to be a luxury, and the resulting criminal trials a sort of picnic enjoyed by the witnesses summoned to attend. Nothing would do more to develop a healthy public opinion in such localities, than a special tax on the municipality to cover the costs.

Criminal investigation and the maintenance of the provincial police should still rest with the province. This would leave to the province the investigation and detection of crime and impose the cost of prosecution on the county.

There are at present seventeen judicial districts in the province, and as their number has been recently increased, it is fair to assume that the present needs of the province as to court machinery are fully met. All that would be required to adapt the county system to present needs would be to so alter the boundaries of existing judicial districts as to combine two or more counties for judicial purposes, and make each pay the cost of its own criminal trials.

The County a Land Registration District.

Our land titles offices now not only provide machinery for the registration of land titles, but are also provincial tax-gathering machines. There are questions involved in the guaranteeing of certificates of title which make one hesitate to suggest that the administration of these offices should be

deputed to the County, but in any case the county should be the unit for all land registration purposes. There are now ten land registration districts in the province and presumably these are sufficient for present needs. To adapt the county system to present needs all that would be required would be to make each county a unit for land registration, and to so combine them for purposes of administration as to make the existing offices serve. Having the county the unit would prevent the costly confusion arising from the overlapping of judicial and land registration districts. The revenues from land titles offices during the fiscal year ending April 30th 1919, was \$747,917.43, and the expenditure \$308,393.50, which is convincing evidence of their efficiency as takers of toll and tribute.

County Councils and the Equalization of Taxation

In our urban and rural municipalities the assessment roll is revised by the council sitting as a court of revision. Individual assessments which are complained against are revised subject to an appeal to the district court judge or Local Government Board. The result, while it often does not sustain a very close relation to real value, is equitable as between one tax payer and another. **But when a provincial tax is levied, with these assessment rolls as the final basis of the levy, gross injustice results.** Every municipality is tempted to minimize its valuations. Some can do so; others can not. Municipalities which inflated their assessments to increase their borrowing powers, have an irreducible minimum which compels them to pay more than their fair share of the tax levied under the provisions of the Public Revenue Act. This difficulty is inherent in our centralization system. **The levying of an equitable county rate on lands is quite as simple as the levying of an equitable municipal rate.** The county council sitting as a court of equalization takes one urban and one rural municipal assessment roll and equalizes them on the basis of

palities. This community of interest might well be taken advantage of to make the county the electoral district for provincial elections. Differences in population would be quite counterbalanced by the county sense of unity and common interest, while the work done by the county council would justify reduction in the number of members of the legislature.

The Size and Shape of the Counties.

There are certain general principles which should determine the size and shape of the counties. The "checker-board system," adopted in laying out rural municipalities is inapplicable. No municipality should be divided for county purposes. Railways, and towns and cities, which are the centres of judicial districts, cannot be ignored; nor can such physical features as large lakes and rivers. All these factors will necessarily affect the shape of many counties.

Their relative size will depend on the general quality of the land, having regard to its use. For example, a county including a large forest reserve would necessarily be larger than one including only farming land. In these days of automobiles and long distance telephones, the contraction of distance and the annihilation of time, make the areas of counties established in Canada and the United States in an earlier day, no criterion for Saskatchewan. In any case, counties should comprise municipalities enough to provide a council sufficiently large to have that wisdom which is not proverbially credited to small numbers.

Our application of these principles would point to the conclusion that the average Saskatchewan county should comprise nine rural municipalities and the urban areas included in them; **except the three larger cities, which are in a class by themselves.** This would group the settled areas of the province into less than forty counties.

Let us assume that the county system has been established, and try to forecast its operation. The Wild Land Tax Act and the Public Revenue Act would be abolished; and land

taxes equitably levied by the county council through the municipalities would take their place. The whole machinery now occupied with the administration of these Acts would be dispensed with; members of the legislature would be relieved of the oversight of main roads; smaller indemnities would fully indemnify them for their time lost in the service of the province; and fewer members would be necessary. The saving on this score alone would go a long way toward defraying the costs of semi-annual meetings of the county councils. Fewer remittances, fewer commissions, fewer computations and fewer records would be necessary under the county system. For the whole system of transmitting millions to Regina to be received, recorded, acknowledged, audited, subjected to reductions, and the remnant sent back as grants to the municipalities and schools to be, in turn, computed, recorded and audited, would conceivably give place to a system under which provincial grants would be remitted in bulk to the counties, and by the exchanging of credits between counties and municipalities only the balance would remain for transmission. A system of exchanging credits is possible in ordinary business, why not here?

The sum total of county taxes, levied as they would be in all counties to provide for grants to public schools, for the maintenance of high schools, for school inspectors' salaries, for main roads and for administration of justice, and, in many counties, for the maintenance of hospitals, would bring in from absentee landlords quite as much money as does the Wild Land Tax Act and the Public Revenues Act. If not, county councils might be empowered to levy a special tax on wild lands, by way of penalty for non-development. County grants for schools and main roads would lessen correspondingly the average municipal tax rate.

County council meetings would seldom last more than ten days, including the time spent in travelling, and the remuneration would be about the same as that paid the mayors and reeves for

attending council meetings. Approximately two thousand dollars would cover the cost of the county council meetings for the year.

The business management of the county would be in the hands of the county clerk in so far as ordinary business is concerned; judicial business, in charge of the court officials as at present; the oversight of elementary schools would rest with the school inspectors. The secondary schools would be managed by a board either appointed by the county council or elected at the annual municipal elections; the county hospitals, similarly to the secondary schools; main highways would be in charge of the county engineer or road foreman. All these officials would be responsible to the county council.

Just here it is expedient to point out that with the exception of the county clerk all these officials already exist. **It is simply a case of abolishing provincial land taxes and provincial control, and substituting county taxes and county control.**

The county clerk and his staff at the county seat would do work now done at Regina. Under our centralized system correspondence is continually carried on with some 4393 school districts and 712 rural and urban municipalities in connection with the collection of provincial taxes and the distribution of grants; under the county system correspondence would be necessary between the provincial government and less than 40 counties and 3 cities to whom provincial grants for hospitals, elementary schools, secondary schools, and main roads will be sent direct, instead of to these 5105 municipalities and school districts.

This would necessarily entail a very considerable reduction in the staff of the offices at Regina, but the sum total of the change should result in a very marked reduction in the cost of these public services. **And, is it not good public policy to favor the development of forty county seats in the province, by having transacted there all the public business that appertains to district government rather than by concentrating affairs**

at one centre to favor the development of one dominating capital?

The ordinary semi-annual meetings of the county council would be occupied with main road improvements and business appertaining to the management of hospitals and secondary schools, to receiving and dealing with official reports relating to these matters and to the equalization of taxation and the levying of the county rate. Nor do we wish to ignore the probability that the question of establishing secondary schools and hospitals will soon demand consideration of the council of every county. However much Saskatchewan may pride herself on the relative amount of hospital accommodation she possesses, it will not be long after county organization, before women of every county, if not the people generally, will press for the establishment of small emergency hospitals wherever a physician is located; and for the establishment of large general hospitals at railway centres; and such adequate provision for their maintenance as will supply hospital accommodation at a price patients can afford to pay.

The Inequitable Taxation of the Present System.

A comparison between the taxes levied on urban and rural land demonstrates this inequity. This comparison should not include ordinary municipal taxation, the purposes of which so widely differ in town and country. **But a comparison between the amounts paid by urban and rural municipalites for elementary and secondary education and under the Public Revenues Act would not be unfair.** The lack of any equalization of assessment as between one municipality and another restricts our comparison to a reasonable number of specific instances which when taken together should be sufficiently indicative of the whole to prove the equity or inequity, provided the comparison be made, not on the estimate of assessors but on the basis of sales made, and prices paid. **What is required is a comparison between the amount of taxes paid on**

a dollar's worth of urban property and the amount paid on a dollar's worth of rural property.

For the purpose of comparison we submit schedules showing twenty parcels of farm lands in the neighborhood of Yorkton and twenty parcels of urban property in Yorkton together with selling prices and other necessary data:

Schedule Showing 20 Sales of Land in the Town of Yorkton Including Assessed Value and Selling Prices 1919—1921

Description of land	Assessment valuation	Sale price
1-4-9913 -----	\$ 9,000	\$ 9,334
1-1-22504 -----	14,000	10,333
7-2-9913 -----	12,500	4,125
2-3-9913 (Rear 35 feet) -----	8,700	8,000
40 ft. of 3-C-D3853 -----	550	1,000
2 lots Blk. 15 -----	1,750	2,334
40 ft. of 22-9-20767 -----	880	1,200
22-A-42488 -----	500	2,625
11-12-27474 -----	1,400	1,500
24-11-27474 -----	1,200	1,600
41-10-27474 -----	1,600	1,000
7-2-33277 -----	4,500	7,166
6-1-22504 -----	7,500	3,667
38-11-27474 -----	1,350	1,000
4-32-A.II.2964 -----	700	1,000
7-12-2-X4738 -----	2,400	2,250
Blk. B-D3853 -----	550	1,750
14-15-R-Y1153 -----	700	800
23-9-27474 -----	1,100	1 666
17-6-33277 -----	1,000	1,750
Totals	\$71,880	\$64,100

Rate on actual assessment—

Public School ----- 9. 21 mills
 Collegiate ----- 5. 02 mills
 Including debenture rate.

**Schedule Showing List of Farms Sold in Orkney
and Wallace Rural Municipalities With Assess-
ment Valuations 1920, and Sale Prices Less
Value of Buildings; Also Tax Rate for
Elementary Schools**

Description of Land	Ass'mnt Valuation	Sale Price	School Tax Rate
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Orkney R.M.

All 23-27-4	\$9600.00	\$26200.00	5
W.½ & N.W.½ 24-27-4	7200.00	17500.00	5
N.E.¼ 13-26-4	4000.00	9000.00	5
N.W. ¼ 1-27-4	1950.00	9500.00	5
N½ 16-26-4	6080.00	13400.00	4
S.E. ¼ 26-26-4	2400.00	6000.00	5
E½ 33-26-4	4800.00	11200.00	5
S½ 15 & S.W. 14-26-5	7200.00	20100.00	4
N.W. 2 & S.W. 11-27-4	4800.00	15300.00	5½
N½ 21-25-4, fractional	3318.00	8488.00	5½

Wallace R.M.

S½ 6-26-3, N.E. 31 & N.W. 32-25-3	18000.00	30400.00	10.5
E½ 4-26-3	8000.00	13000.00	8
N½ 34-25-3	7680.00	18000.00	7½
N½ 19 & N.E. 7-26-2	9576.00	26000.00	7½
W.½ 36-26-2	6920.00	11400.00	8
N.E.¼ 35-26-2	3480.00	7200.00	8
W½ & S.E. ¼ 20-27-2	10800.00	24800.00	6½
8-25-2	14880.00	26500.00	8
S½ 32-25-3	8600.00	12650.00	6
W½ 25-27-3	5200.00	12000.00	

144484.00 318638.00

Average rate on assessment for school tax 6.896

From these specific instances in which the ultimate valuations were made by purchasers who paid or bound themselves to pay, it is apparent

1. That 20 parcels of town lots in Yorkton valued for assessment at \$71880.00 sold for \$64100.00; the assessment valuation being 111.21 per cent. of the sale price ;
2. That 20 parcels of farm lands in the vicinity of Yorkton sold for \$318,638.00 which were assessed for \$144,484.00, that is for 45.34 per cent. of the sale price.

In both cases the prices are for land values only, the value of improvements having been deducted.

No comparison is made between the ordinary municipal tax rate on these lands, there being very little in common between urban and rural municipal expenditure; but comparison between the taxes levied for education and for public revenue would not be unfair.

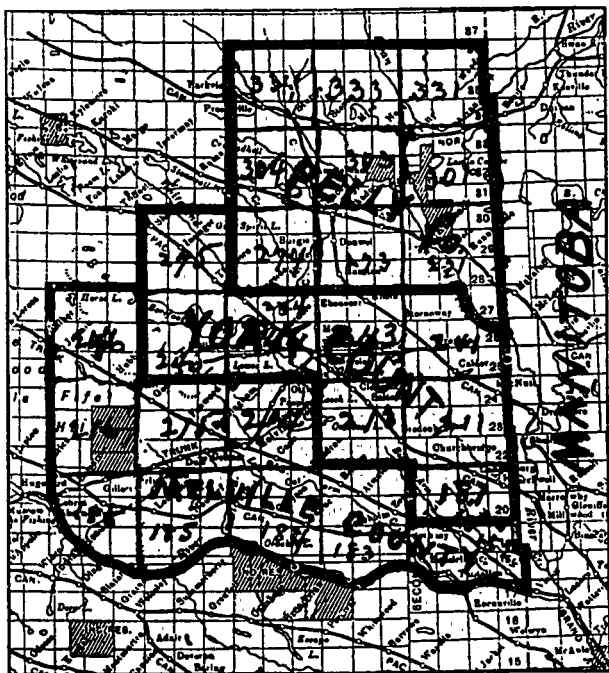
The combined elementary and secondary school tax rate on the town lots was 14.23 mills of which 5.02 mills was for secondary schools; and this was levied on the whole assessment of \$5,035,899.00, which included the tax on improvements and the business tax. Had the tax been levied as on farm property, on the basis of land assessment only, it would have been levied on \$3,219,850.00; and the rate would have been 22.256 mills. Add to this the 2 mills levied as the public revenue tax and the combined rate for education and public revenue amounts to 24.256 mills. But the land assessment was 111.21 per cent. of the selling value; therefore this combined tax amounts to 26.975 mills on the dollar's worth on town lots sold.

The average elementary school tax rate paid on the farm lands listed in the foregoing schedule was 6.89 mills; there was no secondary school tax and our assumption is that the supplementary revenue tax had been repealed; the public revenue tax is 2 mills, the total combined rate on land valuations, 8.89 mills. But the land valuations were only 45.34 per cent. of the sale price. Had the levy been on the latter the rate would have been only 4.03 mills.

We have now reduced the levy for education and public revenue on both urban and rural schedules to the amount of tax on a dollar's worth of each, on the basis of sales made and prices paid; and the figures show conclusively that in so far as these particular properties are concerned, town lands are assessed more than six times as much as the farm lands, 26.975 to 4.03. The sales listed in these schedules are fairly representative of sales made in the last three or four years. Taxation can never be ab-

solutely equitable, but such gross inequity is intolerable. If similar computations in other localities show even half the inequity shown here, the presumption is that the present system of taxation for education and public revenue is one of the determining factors in the default of some of our urban municipalities and in the embarrassment of them all. Even now our provincial treasurer is on the defensive against the claims of holders of bonds of defaulting municipalities and the credit of Saskatchewan demands that inequitable taxation on municipalities should not continue to contribute to their delinquency. It is suggested that the reader make similar computations as to the incidence of taxation in his own district for purposes of comparison.

Diagram to Illustrate Specific Application of the County System to a Small Portion of the Province



In this diagram it is assumed that rural municipalities numbered 181, 211, 213, 241, 243, 244, 245 and 275, together with the included incorporated villages and towns have been grouped together as a county in accordance with the principles mentioned as those which should determine the size and shape of counties. Let it be further assumed that the hospital, and the secondary schools have been taken over by the county; that the officials within the county who have been serving the province in a district capacity have become county officials, and that the county organization has been completed. We are now in a position to enquire how it would work and what it would cost.

The inquiry makes necessary a reference to the Public Accounts of Saskatchewan for the financial year ending April 30th, 1920, the latest available, to ascertain the amount of provincial revenues raised, and of provincial expenditures made, within the area of this hypothetical county during that period. Unfortunately the Public Accounts of Saskatchewan, do not exhibit a complete statement of the financial position of the province at the end of any financial year. They are compiled on a cash basis; and show only receipts and disbursements. Financial statements on a revenue basis exhibit also the amount of taxes, subsidies, and other revenues, receivable but not received. Similarly, they exhibit the amount of accounts and grants payable and unpaid at the end of the financial year.

With a reservation as to the possibility of miscalculation based on these incomplete Public Accounts, let us try to ascertain the effect on the revenue and expenditures of the province contingent on the organization of the proposed York County.

Provincial Revenue Lost:—

1. (a) Public Revenue Tax	---\$48890.00	
Less Commissions, 5 p.c.	--- 2445.50	
	<hr/>	
		46444.50
Less proportion of cost of administration, estimated	675.00	
	<hr/>	net \$45769.50
2. Wild Lands Tax Act	---- 28820.60	
Less Commissions	----- 1441.00	
	<hr/>	
		27379.57
Less proportion of cost of administration, estimated	400.00	
	<hr/>	net 26979.57
3. Two-third moiety of motor licenses on motor vehicles in the county estimated	--- -- --	\$10,000.00
		<hr/>
		\$82,749.07

Provincial Expenditure Saved:—

based on 1919-20 expenditures :

1. Main Highways, roads and bridges	-----	\$34064.30	
Inspection	-----	1820.87	
2. School Inspection :			
1 inspector	-----	\$2920.00	
1½ cost of a 2nd	-----	1460.00	
	<hr/>	\$4380.00	
3. Administration of Justice :			
Cost of Prosecutions	-----	6358.35	
(half of year's cost in York- ton Judicial District.)			
4. Surveys, estimated	-----	\$1000.00	
	<hr/>		\$47,623.52
			<hr/>
Net revenue loss			\$35,125.55

Any net revenue loss to the province, contingent on county organization, would ordinarily be adjusted, either by increasing the obligations of the county in the matter of the administration of criminal justice, or by commensurate reductions in provincial grants.

To estimate the revenue and expenditure of a county whose assessments have been equalized; and whose policy as to main roads, secondary schools, and hospitals has been determined; and whose records as to past expenditures for these purposes are available, would be easy, but the only data available here, are such as can be extracted from the Public Accounts 1919-1920 as appertaining to the proposed area.

On the basis of the relation between assessment valuations disclosed by the foregoing schedules, somewhat reduced, we estimate an equalized assessment of \$40,000,000.00 in York county; and that in view of the compensation grant of \$15.00 per month paid to rural students attending secondary schools, 100 rural students will attend within the county in 1922; and that there will be an average attendance of twenty-five students at the high school departments of the public schools at Salteoats and Theodore.

The following estimate of County Revenue and Expenditure is based on these assumptions:

Expenditures

1. County Councils:	
11 members, 20 days, \$4.00--	\$880.00
Travellings expenses --	60.00
Subsistence, \$3.00 per diem--	660.00
	\$ 1,600.00
2. Main Highways:	
Including bridges and engineering---	40,000.00
3. Administration of Justice:	
Cost of Prosecutions ---	6,356.00
4. Elementary Schools:	
Equalization grant, 3 mills ---	120,000.00
5. School Inspection:	
1 inspector ---	\$2920.00
Half time 1 inspector ---	1460.00
	4,380.00
6. Secondary Schools:	
(a) Debentures:	
Annual instalment --	\$5,272.00
(b) Rents:	
Theodore class room ---	480.00
Saltecoats class room ---	480.00
(c) Tuition:	
7 teachers at Yorkton----	17,000.00
1 teacher at Theodore ---	1,800.00
1 teacher at Saltecoats ---	1,800.00
(d) Compensation grants to:	
100 rural students -	15,000.00
(e) Fuel, light, caretaking,	
supplies, taxes, repairs	--
and miscellaneous -----	14,500.00
	56,332.00
7. Hospitals:	
During 1919-20 and for several years previous, no municipal grant has been made to the local hospital. No estimate.	
8. County clerk's office -----	8,000.00
	<u>\$236,668.00</u>

County Revenue

1. Secondary Schools:

Government Grants:

(a) Yorkton Collegiate,	
5 teachers at \$800 -----	\$4,000.00
1 household science teacher -----	1,200.00
1 Manual training teacher	750.00
(b) 1 teacher at Saltcoats	800.00
(c) 1 teacher at Theodore	800.00
(d) Equipment grant, estimated -----	450.00
	<hr/>
	8,000.00

2. Wild lands taxes --- --- --- 28,820.00

3. Motor licenses, moiety of ----- 10,000.00

4. County rate:

(a) for main highways, $\frac{3}{4}$ mill;	
(b) for elementary schools, 3 mills;	
(c) for secondary schools, $1\frac{1}{4}$ mills;	
(d) for other purposes, $\frac{1}{2}$ mill;	
5 $\frac{1}{2}$ mills -----	220,000.00

266,820.00

Less estimated expenditures --- --- 236,668.00

Surplus to cover uncollected taxes ---- \$30,152.00

It will be noted that the levy of \$120,000.00, equalization grant, for elementary schools would reduce by that amount the sum theretofore levied by the trustees, and that the secondary school rate, instead of being levied exclusively on the towns as at present, is estimated as a county rate, and that it covers a compensation grant of \$150.00 per school year—\$15,000.00 in all—for 100 rural students, and is based on an attendance of almost twice as many as are now attending secondary schools within the county. If any reader should endeavor to persuade himself that a rate of $1\frac{1}{4}$ mills on the sale valuation of land is a heavy tax for secondary education, his attention is pointedly called

to the fact that Yorkton town lots paid the equivalent of an 8.75 rate on their sale valuation in 1920, and that \$6,722.80 was expended in providing secondary education for the sons and daughters of farmers whose lands contributed practically nothing toward its public cost.

The comparatively small amount estimated as the cost of the county clerk's office calls for some elucidation. If it be remembered that it is proposed that all provincial grants be remitted to the counties to be paid to the municipalities, schools, and hospitals receiving them, in accordance with the terms of the grants; and that all county rates are levied through the municipalities, it will be seen that the volume of work is not large. Reference has already been made to the possibility of exchanging credits and little reflection will be required to make it apparent that there will be much less correspondence and accountancy in the county clerk's office than in the offices of the municipalities where the units to be dealt with are much more numerous.

We have looked in vain for any serious attempt to find a remedy. In fact, so inconsistent is the present system, with the self respect of those who benefit by it, at the expense of their neighbors, that it seems probable there has been not only an official, but a general, lack of appreciation of the extent of the inequity. The limitation of the scope of the tax commission, to an enquiry into the matter of equalization of the public revenue tax; and the certainty that a provincial election would precede its enquiry, has suggested the duty of publishing this pamphlet in the hope of evoking discussion and lighting the way toward reform.

Does it not sometimes appear as if the relation of the Saskatchewan Grain Growers' Association to the Saskatchewan government is remarkably like that of the Canadian Manufacturers' Association to succeeding Dominion governments, in that each of them impels toward an inequitable system of taxation? Fear of the organized manufacturers prevents tariff reduction; fear

of the organized farmers appears to prevent the equalization of provincial taxation. Believing that farmers and townsmen should stand shoulder to shoulder in the fight for equitable taxation, federal, provincial and municipal, we shall not pay the farmers of Saskatchewan the poor compliment of assuming that those who seek equity will not do equity.

It is difficult to conceive of a greater handicap to the forces of reform in the coming fight against inequitable federal taxation and special privilege than that which would result from a persistent unwillingness of the farmers of Saskatchewan to pay their full share of local taxation. If, however it be contended that the adverse economic conditions of the present make it inopportune to place upon rural Saskatchewan its fair share of the load of local taxation; then with greater force may it be contended, that the same adverse economic conditions make it more difficult, if not impossible, for urban Saskatchewan to continue carrying more than its share of the load.

If the equitably distributed load of local taxation be too heavy, there is but one right course to pursue; and that is to lighten it. This can not be done under our centralization system.

In the foregoing pages an endeavor has been made to present this proposal fairly. The purpose, we repeat, is not to cavil at the errors and omissions of the past, but to suggest the radical reform believed to be necessary. Has it not been demonstrated that our urban municipalities have been saddled with an unfair proportion of the elementary school tax, practically the whole of the secondary education tax, and an unfair proportion of the public revenue tax? Is it not fair that the urban municipalities should contribute on the same basis as rural municipalities for main highways? Should not the children of the rural districts be given an even chance in the matter of secondary education? **The adoption of the county system is necessary to all these ends and its adoption will simplify the ma-**

chinery of district government and should lessen its cost.

In the older sections of our province pioneer conditions have gone forever. Within the limits of our holdings we must produce to meet the heavy demands of our nation, our province and our municipalities; and provide for our own needs. Those who face the necessity of earning what they spend cannot afford to be indifferent to questions of taxation. Is it not well then to insist on the simplification of our machinery of district government and keep as far as possible in the hands of those who must pay, control of taxing and borrowing powers?

Yorkton, May 16th, 1921



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